Fare structure of IA for NE Region

4958. SHRI LAJPAT RAI: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that Government are offering a bailout package to Indian Airlines;

(b) if so, the details thereof;

(c) whether Government are planning to rationalize the fare structure especially with reference to North Eastern sectors to compensate the losses; and

(d) if so, the details thereof?

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN): (a) and (b) Government had constituted a Committee under the Chairmanship of Dr. Vijay K. Kelkar, the then Secretary, Ministry of Petroleum and Natural Gas to look into the reasons for losses in Indian Airlines and to develop strategies in the context of competitive market environment. The Committee, *inter-alia*, recommended financial restructuring of Indian Airlines which included financial support of Rs. 475 crores by the Government in the form of subordinated loan for Rs. 150 crores, equity infusion to the extent of Rs. 125 crores and payment of Rs. 200 crores as compensation for the following decisions taken by the Government that affected the financial performance of Indian Airlines:

(i)	Grounding of A-320	Rs. 197 crores
(ii)	Merger of Vayudoot Outstanding liabilities	Rs. 185 crores
(iii)	Annual burden	Rs. 20 crores
(iv)	Open skies policy with a non-level playing field and Indian Airlines operations in uneconomic sectors well above the statutory requirement of the DGCA.	Rs. 325 crores

As part of the implementation of the Kelkar Committee recommendations, it was decided by Government in May, 1999 to refuse Rs. 325 crores as equity in Indian Airlines in the form of margin money for acquisition of new aircraft. The fund could not, however, be released due to ongoing process of disinvestment in the company.

In October, 2001 Indian Airlines was asked to formulate proposal for acquisition of fleet, so that release of Rs. 325 crores could be considered as and when Government takes a final view on the proposal of Indian Airlines.

(c) and (d) In view of the highly competitive scenario, Indian Airlines has introduced a Flexi Fare Policy *w.e.f.* 25th May, 2001. The level of fare is increased/ decreased, sector to sector, season to season and was from prime time to non-prime time on selected sectors based on market factors such as seasonality, supply demand equation, strength of Indian Airlines versus competitor, competitive fares etc. The fare payable by the passengers in North East were about 18% lower than on sectors of similar distance in rest of India. This differential is now about 32% with Inland Air Travel Tax (IATT) exemption granted in respect of flights to and from the North East region *w.e.f.* 15.4.2002.

Hand trolleys at Hyderabad Airport

4959. DR. DASARI NARAYANA RAO: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether old designed and insufficient number of hand trolleys are in use at the Hyderabad Airport both at domestic and international terminals;

(b) if so, the details thereof; and

(c) the action Government propose to take to make available new modern designed hand trolleys in sufficient number of Hyderabad Airport within a time-frame?

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN): (a) to (c) All the old hand trolleys have been replaced with 550 numbers of new modern designed hand trolleys both at domestic and international terminals of Hyderabad airport on 1.02.2002.

Amritsar Airport

4960. SHRI SUKHBIR SINGH: Will the Minister of CIVIL AVIATION be pleased to refer to answer to Unstarred Question 3651 given in the Rajya Sabha on 30th April, 2002 and state:

(a) the details of ongoing projects for development of Amritsar Airport both national and international indicating the target set for commissioning;

(b) the details of introduction of international flights to and from Amritsar; and

(c) the flights to be started in the near future?

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN): (a) At Amritsar Airport, the works of strengthening and extension